

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1138 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-1.1-10-16, AS AMENDED BY P.L.198-2001,
4 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 MARCH 1, 2000 (RETROACTIVE)]: Sec. 16. (a) All or part of a
6 building is exempt from property taxation if it is owned, occupied, and
7 used by a person for educational, literary, scientific, religious, or
8 charitable purposes.
9 (b) A building is exempt from property taxation if it is owned,
10 occupied, and used by a town, city, township, or county for educational,
11 literary, scientific, fraternal, or charitable purposes.
12 (c) A tract of land, including the campus and athletic grounds of an
13 educational institution, is exempt from property taxation if
14 ~~(1) a building which~~ **that** is exempt under subsection (a) or (b) is
15 situated on it. ~~and~~
16 ~~(2) the tract does not exceed:~~
17 ~~(A) one hundred fifty (150) acres in the case of:~~
18 ~~(i) an educational institution;~~
19 ~~(ii) a tract that was exempt under this subsection on March~~
20 ~~1, 1987; or,~~
21 ~~(B) two hundred (200) acres in the case of a local association~~
22 ~~formed for the purpose of promoting 4-H programs; or~~
23 ~~(C) fifteen (15) acres in all other cases.~~
24 (d) A tract of land is exempt from property taxation if:
25 (1) it is purchased for the purpose of erecting a building ~~which~~
26 **that** is to be owned, occupied, and used in such a manner that the
27 building will be exempt under subsection (a) or (b); **and**
28 ~~(2) the tract does not exceed:~~
29 ~~(A) one hundred fifty (150) acres in the case of:~~
30 ~~(i) an educational institution; or~~
31 ~~(ii) a tract that was exempt under this subsection on March~~

- 1 ~~1, 1987;~~
- 2 ~~(B) two hundred (200) acres in the case of a local association~~
- 3 ~~formed for the purpose of promoting 4-H programs; or~~
- 4 ~~(C) fifteen (15) acres in all other cases; and~~
- 5 ~~(3) (2)~~ not more than three (3) years after the property is
- 6 purchased, and for each year after the three (3) year period, the
- 7 owner demonstrates substantial progress towards the erection of
- 8 the intended building and use of the tract for the exempt purpose.
- 9 To establish that substantial progress is being made, the owner
- 10 must prove the existence of factors such as the following:
- 11 (A) Organization of and activity by a building committee or
- 12 other oversight group.
- 13 (B) Completion and filing of building plans with the
- 14 appropriate local government authority.
- 15 (C) Cash reserves dedicated to the project of a sufficient
- 16 amount to lead a reasonable individual to believe the actual
- 17 construction can and will begin within three (3) years.
- 18 (D) The breaking of ground and the beginning of actual
- 19 construction.
- 20 (E) Any other factor that would lead a reasonable individual to
- 21 believe that construction of the building is an active plan and
- 22 that the building is capable of being completed within six (6)
- 23 years considering the circumstances of the owner.
- 24 (e) Personal property is exempt from property taxation if it is owned
- 25 and used in such a manner that it would be exempt under subsection (a)
- 26 or (b) if it were a building.
- 27 (f) A hospital's property ~~which~~ **that** is exempt from property
- 28 taxation under subsection (a), (b), or (e) shall remain exempt from
- 29 property taxation even if the property is used in part to furnish goods
- 30 or services to another hospital whose property qualifies for exemption
- 31 under this section.
- 32 (g) Property owned by a shared hospital services organization ~~which~~
- 33 **that** is exempt from federal income taxation under Section 501(c)(3)
- 34 or 501(e) of the Internal Revenue Code is exempt from property
- 35 taxation if it is owned, occupied, and used exclusively to furnish goods
- 36 or services to a hospital whose property is exempt from property
- 37 taxation under subsection (a), (b), or (e).
- 38 (h) This section does not exempt from property tax an office or a
- 39 practice of a physician or group of physicians that is owned by a
- 40 hospital licensed under IC 16-21-1 or other property that is not
- 41 substantially related to or supportive of the inpatient facility of the
- 42 hospital unless the office, practice, or other property:
- 43 (1) provides or supports the provision of charity care (as defined
- 44 in IC 16-18-2-52.5), including providing funds or other financial
- 45 support for health care services for individuals who are indigent
- 46 (as defined in IC 16-18-2-52.5(b) and IC 16-18-2-52.5(c)); or
- 47 (2) provides or supports the provision of community benefits (as

defined in IC 16-21-9-1), including research, education, or government sponsored indigent health care (as defined in IC 16-21-9-2).

However, participation in the Medicaid or Medicare program alone does not entitle an office, practice, or other property described in this subsection to an exemption under this section.

(i) A tract of land or a tract of land plus all or part of a structure on the land is exempt from property taxation if:

(1) the tract is acquired for the purpose of erecting, renovating, or improving a single family residential structure that is to be given away or sold:

(A) in a charitable manner;

(B) by a nonprofit organization; and

(C) to low income individuals who will:

(i) use the land as a family residence; and

(ii) not have an exemption for the land under this section;

(2) the tract does not exceed three (3) acres;

(3) the tract of land or the tract of land plus all or part of a structure on the land is not used for profit while exempt under this section; and

(4) not more than three (3) years after the property is acquired for the purpose described in subdivision (1), and for each year after the three (3) year period, the owner demonstrates substantial progress towards the erection, renovation, or improvement of the intended structure. To establish that substantial progress is being made, the owner must prove the existence of factors such as the following:

(A) Organization of and activity by a building committee or other oversight group.

(B) Completion and filing of building plans with the appropriate local government authority.

(C) Cash reserves dedicated to the project of a sufficient amount to lead a reasonable individual to believe the actual construction can and will begin within six (6) years of the initial exemption received under this subsection.

(D) The breaking of ground and the beginning of actual construction.

(E) Any other factor that would lead a reasonable individual to believe that construction of the structure is an active plan and that the structure is capable of being:

(i) completed; and

(ii) transferred to a low income individual who does not receive an exemption under this section; within six (6) years considering the circumstances of the owner.

(j) An exemption under subsection (i) terminates when the property is conveyed by the nonprofit organization to another owner. When the

property is conveyed to another owner, the nonprofit organization receiving the exemption must file a certified statement with the auditor of the county, notifying the auditor of the change not later than sixty (60) days after the date of the conveyance. The county auditor shall immediately forward a copy of the certified statement to the county assessor. A nonprofit organization that fails to file the statement required by this subsection is liable for the amount of property taxes due on the property conveyed if it were not for the exemption allowed under this chapter.

(k) If property is granted an exemption in any year under subsection (i) and the owner:

- (1) ceases to be eligible for the exemption under subsection (i)(4);
- (2) fails to transfer the tangible property within six (6) years after the assessment date for which the exemption is initially granted;
- or

(3) transfers the tangible property to a person who:

- (A) is not a low income individual; or
- (B) does not use the transferred property as a residence for at least one (1) year after the property is transferred;

the person receiving the exemption shall notify the county recorder and the county auditor of the county in which the property is located not later than sixty (60) days after the event described in subdivision (1), (2), or (3) occurs. The county auditor shall immediately inform the county assessor of a notification received under this subsection.

(l) If subsection (k)(1), (k)(2), or (k)(3) applies, the owner shall pay, not later than the date that the next installment of property taxes is due, an amount equal to the sum of the following:

- (1) The total property taxes that, if it were not for the exemption under subsection (i), would have been levied on the property in each year in which an exemption was allowed.
- (2) Interest on the property taxes at the rate of ten percent (10%) per year.

(m) The liability imposed by subsection (l) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (l) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(n) Property referred to in this section shall be assessed to the extent required under IC 6-1.1-11-9.

SECTION 2. IC 6-1.1-10-21, AS AMENDED BY P.L.198-2001, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2000 (RETROACTIVE)]: Sec. 21. (a) The following tangible property is exempt from property taxation if it is owned by, or held in trust for the use of, a church or religious society:

- (1) A building ~~which~~ **that** is used for religious worship.
- ~~(2) Buildings that are used as parsonages.~~
- ~~(3) (2) The pews and furniture contained within a building which~~

1 **that** is used for religious worship.

2 ~~(4)~~ (3) The tract of land ~~not exceeding fifteen (15) acres~~, upon
3 which a building ~~described in this section~~ **that is used for**
4 **religious worship** is situated.

5 **(b) The following tangible property is exempt from property**
6 **taxation if it is owned by, or held in trust for the use of, a church or**
7 **religious society:**

8 **(1) A building that is used as a parsonage.**

9 **(2) The tract of land, not exceeding fifteen (15) acres, upon**
10 **which a building that is used as a parsonage is situated.**

11 ~~(b)~~ (c) To obtain an exemption for parsonages, a church or religious
12 society must provide the county auditor with an affidavit at the time the
13 church or religious society applies for the exemptions. The affidavit
14 must state that:

15 (1) all parsonages are being used to house one (1) of the church's
16 or religious society's rabbis, priests, preachers, ministers, or
17 pastors; and

18 (2) none of the parsonages are being used to make a profit.

19 The affidavit shall be signed under oath by the church's or religious
20 society's head rabbi, priest, preacher, minister, or pastor. The county
21 auditor shall immediately forward a copy of the affidavit to the county
22 assessor.

23 ~~(c)~~ (d) Property referred to in this section shall be assessed to the
24 extent required under IC 6-1.1-11-9."

25 Page 13, between lines 10 and 11, begin a new paragraph and insert:

26 "SECTION 19. IC 14-33-7-4 IS AMENDED TO READ AS
27 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4. (a) This section
28 applies to the following tangible property owned by or held in trust for
29 the use of a church or religious society:

30 (1) A building that is used for religious worship.

31 (2) A building that is used as a parsonage.

32 (3) The pews and furniture contained within a building that is
33 used for religious worship.

34 **(4) The land upon which a building that is used for religious**
35 **worship is situated.**

36 **(5) The land not exceeding fifteen (15) acres, upon which a**
37 **building described in this section that is used as a parsonage is**
38 **situated.**

39 (b) Property is exempt from the special benefits tax that may be
40 imposed under:

41 (1) IC 14-33-6-13 and section 1 of this chapter; or

42 (2) IC 14-33-21-5;

43 to the extent that the special benefits tax revenue will be used for the
44 construction or improvement of a water impoundment project,
45 including a lake, pond, or dam.

46 (c) To obtain an exemption for a parsonage, a church or religious
47 society must provide the county auditor with an affidavit at the time the

1 church or religious society applies for the exemption. The affidavit
2 must:

3 (1) state:

4 (A) that all parsonages are being used to house one (1) of the
5 church's or religious society's rabbis, priests, preachers,
6 ministers, or pastors; and

7 (B) that none of the parsonages are being used to make a
8 profit; and

9 (2) be signed under oath or affirmation by the church's or
10 religious society's head rabbi, priest, preacher, minister, pastor, or
11 designee of the official church body."

12 Page 13, between lines 40 and 41, begin a new paragraph and insert:

13 "SECTION 21. [EFFECTIVE UPON PASSAGE] (a) Pursuant to
14 IC 6-1.1-10-16, as amended by this act, a church or religious
15 institution may file a claim with the county auditor for a refund for
16 the payment of property taxes due and payable in 2001. The claim
17 shall be filed as set forth in IC 6-1.1-26-1, except that the claim
18 shall be based upon the ground that the assessment of the property
19 must be computed as set forth in IC 6-1.1-10-16, as amended by
20 this act.

21 (b) Upon receiving a claim filed under this SECTION, the
22 county auditor shall determine whether the claim is correct. If the
23 county auditor determines that the claim is correct, the auditor
24 shall, without an appropriation being required, issue a warrant to
25 the claimant payable from the county general fund for the amount
26 due the claimant under this SECTION.

27 (c) The amount of the refund shall equal the amount of the claim
28 so allowed, plus interest at six percent (6%) from the date on which
29 the taxes were paid or payable, whichever is later, to the date of the
30 refund.

31 (d) This SECTION expires July 1, 2003."

32 Renumber all SECTIONS consecutively.

(Reference is to EHB 1138 as printed February 22, 2002.)

Senator ZAKAS